

Ace Finance Petty Cash Policy



Policy Number: 1003

Policy Date: 01/01/2020

Purpose of the Policy

The purpose of the Petty Cash Policy is to provide the parameters under which petty cash funds can be used for miscellaneous and business-related expenditures of low value, where payment through the accounts payable system is not justified or appropriate

Scope

This policy applies to Ace Finance employees.

Petty Cash Float

Ace Finance have a Petty Cash float of \$500.00. The Petty Cash float must be kept in a secure location at all times.

Procedures

Petty cash may be used for the urgent direct acquisition of goods and services up to the maximum value of \$120.00 per transaction. Reimbursement for items of a higher value should be made through accounts payable.

Complete Petty Cash Vouchers

A petty cash voucher must be completed for all petty cash claims. The petty cash voucher must include the following:

- The date of the claim
- The name of the person who incurred the expense
- The expenditure amount
- Signature of the person authorising the payment of the claim
- Tax invoice or receipt to support the expenditure.

Petty cash claims without the appropriate receipts will be declined.

Reconciliation and Reimbursement of Petty Cash Floats

The petty cash custodian must monitor the petty cash float balance. When a reimbursement is required, the petty cash vouchers must be reconciled with the float amount and recorded in the

Petty Cash Book as a debit (increase) to an expenditure account and a credit (reduction) to the petty cash account.

The reconciled petty cash book and the petty cash vouchers must be reviewed and approved by the Small Business Manager before a reimbursement cheque is written.

Petty Cash Reimbursement

The Small Business Manager is responsible for authorising the petty cash reimbursement.

Advances from Petty Cash

An advance from the petty cash float may only be issued if it is not possible for an employee to make the purchase and then claim reimbursement. To obtain an advance from the petty cash float, a petty cash voucher must be completed and signed by the petty cash custodian.

The voucher should state that the petty cash has been requested in advance and should be signed by the petty cash custodian and the purchaser on the advancement of the funds. The purchaser must submit the original receipt to the petty cash custodian together with any surplus funds as soon as practicable after the purchase. Under no circumstances will petty cash be advanced to employees for items of a personal nature.

Audit

An audit of the petty cash float should be conducted annually at the discretion of the Finance Manager.

Review Date	Reviewed by	Role	Changes
01/01/2021	Peter Paul	Admin Manager	Increased Petty Cash Float